

CC Docket No. 94-102 – September 2005 E911 Interim Report

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Date: September 1, 2005

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By Electronic Submission:

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TIER III CARRIER INTERIM REPORT

Due September 1, 2005

CC Docket No. 94-102

Keystone Wireless, L.L.C. ("Keystone") hereby submits its E911 Interim Report, pursuant to *Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, Phase II Compliance Deadlines for Non-Nationwide CMRS Carriers*, CC Docket No. 94-102, *Order*, 20 FCC Rcd 7709, 7771 ¶172 (2005) ("Order").

Carrier Identifying Information:

Carrier Name: Keystone Wireless, L.L.C. – FRN 0007 4157 06

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E911 Implementation Information:

Keystone is a small wireless carrier serving only rural or other less-densely populated areas. Keystone hereby reports as follows:

- Keystone has received Phase I and Phase II requests from PSAPs in each of Berks County and Schuylkill County. Keystone has obtained and installed all of the network equipment and software necessary to meet the Phase I requests in Berks County, has installed land lines between the switch and that requesting PSAP for Phase I deployment, and is compliant with the Phase I request. Keystone did not encounter any problems in meeting the PSAP's Phase I request. As discussed in the last interim report, the Schuylkill County PSAP made Phase I and Phase II requests simultaneously. Keystone obtained and installed all of the network equipment and software necessary to meet this PSAP's Phase I request using a Phase I CAS solution, and installed a land line between the switch and the requesting PSAP for Phase I deployment. Keystone did not encounter any problems in meeting the PSAP's Phase I request. The Schuylkill County PSAP subsequently advised Keystone of its need for a Phase I NCAS solution. Keystone then converted the Phase I solution from a CAS to an NCAS solution, at Keystone's sole expense. Again, Keystone did not encounter any problems in doing so.

- As discussed in Keystone's last interim report, Keystone decided to move to a hybrid network/handset-based GSM solution called TA/NMR, being developed by Nortel Networks (TA/NMR stands for Timing Advance/Network Measurement Report). Nortel advised Keystone that testing was moving forward on the TA/NMR system, including the A-GPS handsets, and that although exceedingly expensive, that system would work.^{1/} (Nortel never specifically promised that TA/NMR would meet the location accuracy requirements of §20.18 of the Commission's Rules, but neither have any other vendors.) In fact, there were no A-GPS handsets, not even prototypes in testing, contrary to what Keystone was being told.

Keystone began searching for these handsets, but both Motorola and Nokia denied having any such handsets for sale, or even in development. Then on May 12, 2005, Nortel invited Keystone to participate in a conference call to review the status of Motorola A-GPS handsets. In the conference call, Keystone confronted Nortel with the information it recently had received from Motorola and Nokia stating that there were no A-GPS handsets in development, hoping that Nortel's technical representative had more knowledge of the situation than the Motorola or Nokia sales departments. However, Nortel simply confirmed that there were no A-GPS handsets in development, and its prior statements about testing taking place had been inaccurate.

Although officially committed to TA/NMR, Keystone also has continued to explore alternatives, both because the TA/NMR system is so exceedingly expensive that Keystone cannot afford it without vendor or government financing, and because no system is a sure thing while it remains in development. Therefore, Keystone has met with and reviewed proposals from a variety of vendors of network-based E911 solutions claiming to have developed new features that would enable these systems to work in more rural areas than before. These other proposals did not appear to provide viable alternatives to the TA/NMR solution, and were just as expensive as, if not more expensive than the TA/NMR solution.^{2/}

^{1/} Keystone continued to press Nortel not only for updates on technical developments, but also on the pricing and financing fronts. Nortel provided updated price quotes, but they are not significantly different than the earlier Nortel price quotes, and remain beyond Keystone's means, unless outside financing is provided. Copies of the updated price quote is attached to the July 15, 2005 "Confidential Materials Submitted in Support of Petition for Waiver of Deadlines for Implementation of Phase II E911" (hereinafter, "Confidential Materials Filing") submitted jointly by Keystone and Key Communications, L.L.C. ("Key").

^{2/} For a detailed discussion of these alternative technical proposals, *see* page -Interim Report, Page 3-

From August 29, 2005 through September 3, 2005, a representative of Keystone will be attending a meeting with Motorola in Chicago, during which Keystone's representative will again raise the issues of the development and availability of A-GPS handsets.

- While exploring all these different technical avenues, Keystone also has pursued multiple financing possibilities. Every equipment vendor was asked about vendor financing, but none was willing to provide Keystone with such financing. The possibility of cost-recovery financing was explored, but was found to be unavailable in the near future. Pennsylvania has decided, in principle, that some portion of E911 collections from wireless subscribers should be used for carrier cost recovery in rural areas, as well as for PSAP funding, but only at such time as Pennsylvania establishes a mechanism for carriers to apply for and standards for carriers to qualify for such cost recovery. Both those mechanisms and those standards are years away, and in the meantime, there is no cost recovery funding available in Pennsylvania. Keystone also has explored the possibility of obtaining debt funding from the Rural Telephone Bank and the Rural Utility Service (collectively, "RUS"), but this funding appears not to be feasible. Aside from the fact that one would first have to identify infrastructure equipment capable of satisfying Section 20.18 of the Rules (which equipment does not exist), such funding would require complete cross-collateralization and a first priority RUS lien on every asset owned by the borrower (not merely assets acquired using loan funds), including all pre-existing or after-acquired assets, and including any existing infrastructure that might already be subject to any lien to secure pre-existing debt.^{3/} Such a loan proposal was not and is not a realistic possibility.
- As previously reported, Keystone informed the requesting PSAPs of its plan to implement the TA/NMR hybrid Phase II E911 solution, and of the specifics of the two-step implementation process. Keystone has been in regular communication with the requesting PSAP officials, both indirectly through Intrado and directly, and explained why Keystone has been unable to implement Phase II E911. Each PSAP official was advised that Nortel told Keystone that it was carrying out testing on the A-GPS handsets, each has been apprised that Nortel finally admitted that in fact there are no such handsets currently in

8 of the July 15, 2005 "Petition for Waiver of Deadlines for Implementation of Phase II E911", filed jointly by Key and Keystone. *See, also*, the Confidential Materials Filing.

^{3/} A copy of the proposed term sheet put forth by RUS is attached to the Confidential Materials Filing as Exhibit C-1.

development and none have yet been tested, and each has been solicited for their views and suggestions, as well. It is Keystone's understanding that neither PSAP has or will interpose an objection to the unavoidable delay in the implementation of Phase II E911 in their jurisdictions.

- For the reasons discussed above, Keystone does not anticipate that Phase II E911 service will be available in its network in the near future. As previously noted, Keystone has a request pending with the Commission for a waiver of the Phase II implementation deadlines. Also, Nortel will not guarantee that even after Keystone fully implements the hybrid solution it will be able to meet all of the E911 Phase II accuracy requirements under §20.18(h) of the Commission's Rules, *i.e.*, Keystone may not reach the requisite 67% and 95% accuracy requirements prescribed by §20.18(h)(1) or (2)^{5/} of the rules because its market is very rural or less densely populated. Therefore, Keystone may have to seek a waiver of the Phase II accuracy requirements under §20.18(h) in the future.
- With regard to meeting the ultimate implementation date of December 31, 2005, see above.

^{5/} Because Nortel's Phase II solution is a hybrid network/handset-based solution, it is unclear whether §20.18(h)(1), which is applicable to network-based technologies, or §20.18(h)(2), which is applicable to handset-based technologies, would apply.